

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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In the Matter of

Petition for Expedited Rulemaking of  
LCI International Telecom Corp. and  
Competitive Telecommunications Association

RM 9101

JUL 10 1997

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**COMMENTS OF PACIFIC BELL, NEVADA BELL,  
AND SOUTHWESTERN BELL TELEPHONE COMPANY**

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### **ATTACHMENTS:**

Affidavit of Elizabeth A. Ham Filed with SBC Application for Provision of In-Region  
InterLATA Service in Oklahoma (CC Docket 97-121)

Reply Affidavit of Elizabeth A. Ham Filed with SBC Application for Provision of  
In-Region InterLATA Service in Oklahoma (CC Docket 97-121)

Affidavit of William R. Dysart Filed with SBC Application for Provision of In-Region  
InterLATA Service in Oklahoma (CC Docket 97-121)

Affidavit of John Stankey - Pacific Bell

## Summary

There is no evidence that the absence of uniform national standards for OSS access is keeping any competitor out of the local exchange. As we demonstrate, we, our States, and the industry have made great strides toward providing and standardizing OSS access. The Petition's real purpose is to keep RBOCs out of the Petitioners' lucrative long distance market.

The Petition consistently misconstrues the Commission's OSS access requirements. First, as the Commission itself has recognized, an implementation period is needed to accomplish the extremely complex task of providing OSS access at parity. We are complying with the implementation schedules approved or imposed by our States. Second, the proposed "performance standards" either have nothing to do with OSS access at all, or abandon any notion of parity as the access standard. Section 251 requires access to unbundled network elements. It does not require ILECs to retool their networks to meet different or higher performance standards for their competitors' convenience. The parity standard is a relative standard. Most of the proposed performance standards are absolute standards that would effectively require us to discriminate against our own retail customers.

Hundreds of interconnection agreements have now been negotiated or arbitrated and approved by State commissions. Many of them contain strict, detailed standards for OSS access. For the Commission to override these accomplishments by mandating uniform national "performance standards" would deny to States and private parties the authority conferred on them by Section 252 to determine how interconnection is implemented. Section 252 clearly did not envision that the Commission could change the final outcome of negotiations and arbitrations by imposed ex post facto mandatory, uniform "standards" that are inconsistent with those outcomes. The only post hoc action that is contemplated is review by "an appropriate Federal district court."

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**COMMENTS OF PACIFIC BELL, NEVADA BELL,  
AND SOUTHWESTERN BELL TELEPHONE COMPANY**

Southwestern Bell Telephone Company ("SWBT"), Pacific Bell and Nevada Bell hereby comment on the above-referenced petition (the "Petition") by LCI International Telecom Corp. ("LCI") and the Competitive Telecommunications Association ("CompTel"), and respond to the Commission's requests in its public notice of June 10, 1997.<sup>1</sup>

I. **BACKGROUND**

LCI and CompTel have not made a case for the Commission to conduct the rulemaking they advocate. This Petition is just one offensive in an all-fronts (legal, regulatory, and public relations) campaign to keep RBOCs out of the long distance market. We fully expect that if a rulemaking is commenced, LCI and CompTel would oppose any applications by the RBOCs to enter

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<sup>1</sup> "Comments Requested On Petition for Expedited Rulemaking to Establish Reporting Requirements for Performance and Technical Standards for Operations Support Systems," RM 9101, DA 97-1211 (released June 10, 1997).

the interLATA market until the rulemaking is concluded and RBOCs are meeting every mandated standard 100% of the time. It would no doubt astonish the framers of the 1996 Act if the millennium came and went before the Commission were even prepared to grant interLATA applications. Yet that is the strategy behind the Petition.

There is no evidence that the absence of uniform national standards for operations support systems ("OSSs") is keeping any competitor out of the local exchange. Well over a hundred local service providers ("LSPs") have been certified to compete in our States. As demonstrated in the attached Affidavits, we, our States, and industry fora have made remarkable progress toward providing and standardizing OSS access, despite the immense technical difficulty of providing it.

The Petition does inadvertently point out an irony about this competitive entry. Despite the number of new entrants, the Act, as implemented by the Commission, so far has stimulated little if any new investment in local facilities. ILECs will not have an incentive to invest in network facilities that must be unbundled and leased to competitors at forward-looking cost plus an insufficient profit (or none at all). LSPs will not invest in network facilities when they can lease them more cheaply from ILECs. The Petitioners claim to know what "customers expect." Yet despite being given the authority to enter the local exchange business and use their own facilities to provide what they say customers expect, they make plain they intend to rely on our facilities far into the future. Thus, we are requested to modify our network and our business to fulfill their plans. We do not believe this absence of investment and total dependence on us is what either Congress or the Commission intended.<sup>2</sup> Yet by giving LSPs the means to redesign our network to their own specifications, performance standards

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<sup>2</sup> See *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, First Report and Order, FCC 96-325, released August 8, 1996, para. 332.

would effectively destroy any remaining incentive by LSPs to invest in their own local exchange networks.

## II. WE HAVE COMPLIED WITH OSS REQUIREMENTS

The Petition consistently misconstrues the Commission's requirement for incumbent local exchange carriers ("ILECs") to provide local service providers ("LSPs") with nondiscriminatory access to the ILECs' OSS functions. The Commission defined in general terms what "nondiscriminatory access" means, then sensibly left it up to industry fora, States, and privately negotiating parties to define the specific means of access. The Petition baldly asserts that only "app-to-app interfaces" meet the nondiscriminatory access requirement (Petition, p. 18). We have developed and continue to develop such interfaces -- despite AT&T's failure in California to honor its contractual obligation to test and use EDI -- but they will not be the best choice for every LSP, and they certainly are not the only way to provide nondiscriminatory access. The Petition implies that ILECs have forced LSPs into "manual access arrangements" (Petition, p. 18). In fact, as detailed in the attached Affidavits of Elizabeth Ham, William R. Dysart, and John Stankey, SWBT and Pacific Bell have spent millions of dollars developing a range of electronic interfaces for LSPs to choose from.

With these factual misstatements, the Petition has no trouble arriving at the conclusion that "not a single ILEC has met [the nondiscriminatory access] requirement." (Petition, p. 1.) But consider the Commission's own description of that requirement:

In order to comply with its obligation to offer access to OSS functions as an unbundled network element by January 1, 1997, an incumbent LEC must, at a minimum, establish and make known to requesting carriers the interface design specifications that the incumbent LEC will use to provide access to OSS functions.... For example, if an incumbent LEC adopted the Electronic Data Interchange (EDI) standard to provide access to some or all of its OSS functions, it would need to provide sufficiently detailed information regarding its use of this standard so that requesting carriers

would be able to develop and maintain their own systems and procedures to make effective use of this standard. As with all other network elements, *the obligation arises only if a telecommunications carrier has made a request for access to OSS functions pursuant to section 251(c)(3), and the actual provision of access to OSS functions by an incumbent LEC must be governed by an implementation schedule established through negotiation or arbitration.*<sup>3</sup>

We have, of course, complied with these requirements. As described in more detail in the attached Affidavits, we offer electronic access today to any requesting LSP and are developing new types of access in accordance with implementation schedules as negotiated or as determined by our State commissions.

It is important to note that the EDI ordering processes are a new development to support an extremely complex task. Implementation of this interface depends on the mutual efforts of LSPs and ILECs. Functionality, including flow through, will evolve over time as LSPs fully employ their negotiation and interface systems with ordering capabilities that ensure accurate content, such as integrated preordering and ordering flows with extensive field edits. These advanced capabilities that ensure flow through are available to LSPs today in SWBT's EASE systems. We are committed to working with LSPs to expedite this effort for EDI ordering. In interface integration meetings, SWBT provides its LSR and EDI field requirement definitions, Universal Service Order Practice, EDI Gateway edits, and then participates in extensive coordinating testing efforts with the LSPs to identify and prioritize the errors to be remedied.

The Petition also makes liberal use of (1) complaints filed by the big 3 IXC's against Pacific Bell at the California Public Utilities Commission (the "CPUC"), and (2) the Department of

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<sup>3</sup> *Implementation of the Local Competition Provisions in the Telecommunications Act of 1996*, CC Docket No. 96-98, Second Order on Reconsideration, FCC 96-476, released December 13, 1996 ("Second Order on Reconsideration"), para. 8 (emphasis added).

Justice's ("DOJ's") evaluation of SBC's application to provide in-region interLATA services in Oklahoma. But neither the complaints, nor the DOJ's evaluation, shows we have not complied with OSS unbundling requirements.

We are not violating the interconnection agreements arbitrated and approved by the CPUC in accordance with Section 252. The complaints are part and parcel of a strategy to have the results of arbitrations in California overturned (AT&T and MCI have also filed appeals of the arbitration decisions in federal district court). The fact is that the arbitrated agreements in California are extremely favorable to the big LSPs. The big 3 complain about the agreements not only to improve upon them -- they have nothing to lose by trying -- but to delay our entry to the California interLATA market, which they know to be the richest in the country.<sup>4</sup>

In particular, the provisions in those agreements for OSS access clearly meet the mandates of Section 251 and belie the Petition's claim that the negotiation and arbitration process is not producing reasonable OSS access. The agreements contain rigorous performance measures, penalty provisions, and reporting requirements to ensure parity. For example, the Agreement between Pacific Bell and AT&T provides:

"Parity" Defined: PACIFIC shall provide services to AT&T that, for any relevant period of measurement, have substantially the same characteristics of timeliness and performance as PACIFIC provides at retail and, for such purpose, those services shall be deemed to have substantially the same characteristics for any population of thirty (30) or more observations if it has the same statistical distribution at the 90% confidence level. Service Parity is achieved when PACIFIC's service performance, as defined by the designated comparable measures, is within 1.65 standard deviations (90% confidence level) of the average retail performance for the equivalent retail product or service, subject to the definitions contained within this Attachment 17. The calculation of 1.65

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<sup>4</sup> See John J. Keller, "For AT&T, Building Local Service Is Tough Job," Wall St. J., June 11, 1997, p. B4.



standard deviations will be based on the most recent two full calendar quarters of actual performance and revised quarterly. As used in the preceding sentence, PACIFIC's "average retail performance for the equivalent retail product or service" shall be calculated using all available observations of PACIFIC performance, rather than any form of sampling. "PACIFIC's service performance" for AT&T shall, similarly, be calculated using all available observations. Average performance will be measured and reported monthly for each comparable measure. Liquidated damages will apply when performance is not at parity.<sup>5</sup>

As for the DOJ's evaluation of our Oklahoma Section 271 Application, the DOJ did not contend that we have failed to comply with the Commission's rules on access to OSS. The DOJ's principle criticism was that no LSPs are using any of the electronic interfaces that SWBT makes available in Oklahoma: "[t]his fact," it contended, "should place a heavy burden on SBC to prove the operation of its electronic interfaces and processes."<sup>6</sup> As we replied, "This is another unlawful attempt to turn Section 271 into a test of CLECs' local entry plans. As a legal matter, SWBT's interLATA entry cannot be delayed by CLECs' ordering decisions."<sup>7</sup> The Petition fails to mention that the DOJ spoke favorably of SBC's OSS interfaces in its appraisal of Ameritech's Michigan Application.<sup>8</sup>

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<sup>5</sup> CPUC A.96-08-040 (filed December 19, 1996), Attachment 17, p. 1.

<sup>6</sup> *Application of SBC Communications*, CC Docket No. 97-121, Evaluation of the Department of Justice, May 16, 1997, pp. 80-81.

<sup>7</sup> *Application of SBC Communications*, CC Docket No. 97-121, Southwestern Bell's Reply, May 27, 1997, p. 25.

<sup>8</sup> *Application of Ameritech Michigan*, CC Docket No. 97-137, Evaluation of the United States Department of Justice, June 25, 1997, p. A-2.

### III. MANDATORY PERFORMANCE STANDARDS ARE NOT AUTHORIZED BY SECTION 251 OF THE ACT

The Petition takes the Commission's OSS unbundling requirement a giant step further than the Commission has gone before.<sup>9</sup> Section 251(c)(3) requires ILECs to provide "nondiscriminatory access" to network elements. While the Petition complains superficially about "access" to OSS, what it actually requests the Commission to do is to (1) mandate performance parameters and capabilities for the OSSs themselves; and (2) establish minimum standards for the performance of the ILECs' services, unbundled elements, and networks. LCI and CompTel say: "The bottom-line is: A carrier cannot conduct its business effectively or efficiently without error-free, well-designed, and well-developed electronic OSSs." (Petition, p. 6.) But this only confirms that what the Petition asks the Commission to order goes far beyond the mandate of Section 251 to provide access to unbundled elements of the ILECs' networks. It would have the Commission direct ILECs to

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<sup>9</sup> Whether OSSs are even "network elements" for purposes of Section 251(c)(3) of the Act has been appealed to the Eighth Circuit. The 1996 Act did not give the Commission a carte blanche to destroy all the competitive advantages that ILECs arguably have over new entrants. Rather, the unbundling requirements are limited and extremely specific. A "network element" is a "facility of equipment," or "features, functions and capabilities" that are "provided by means of such facility or equipment" (47 U.S.C. Section 153(29)); moreover, it must be "used in the provision of a telecommunications service" (*id.*). "Telecommunications" is further defined to mean the "transmission, between or among points specified by the user, of information of the user's choosing" (47 U.S.C. Section 153(43)). "Network elements" thus means the pieces of equipment (and their "features, functions, and capabilities") that are used to transport telephone calls from one point to another.

We believe the Commission has unlawfully expanded the definition of "network elements" both by ignoring the condition that such elements be used in the provision of telecommunications services and by expanding the category of network elements beyond the physical parts of the network. OSSs have no role in transmitting a call over the network. They are support systems designed by the ILECs to run their retail businesses. They are no more facilities or equipment used in the routing or transmission of telephone calls than repair trucks are. Nothing in the Act requires business skills, as opposed to pieces of the physical network, to be turned over to competitors.

restructure their businesses and redesign their systems to comport with the LSPs' ideas of what (their own) "customers expect."

As Mies van der Rohe said, "God is in the details" -- in this case, Appendix A of the Petition. Appendix A is devoted to detailing "Operations Support Systems Requirements For Network Platform And Total Services Resale," and "Service Quality Measurements" for both OSS and other parts of the ILEC's network -- not merely access to OSS systems. In addition, the proposed standards abandon any notion of parity as the standard. *Pre-ordering* information, for example, would have to be provided within two seconds of when a query is launched. Never mind that the ILEC's OSS might have been designed to a lesser standard, or that the ILEC itself may not receive a response to a query within two seconds; if it does not meet this standard, it will have to be redesigned. *Orders* would be completed within specified intervals. Never mind that the completion of an order is a function of the ILEC's entire workforce and resources, varies widely according to demand, weather, or the occurrence of disaster, and is merely reported by means of the OSS; never mind the OSS lets the LSP itself complete the field for order completion dates, making the standard meaningless. *Maintenance* troubles (which are also merely reported by the OSS) would be limited to 1.5 per 100 lines per month. If the ILEC must spend hundreds of millions of dollars to modernize its network to meet this standard, come earthquakes or cyclones, presumably that is its problem. A catch-all "network performance" standard (call completion rate, network incident rate, etc.) seems to presuppose that if a "CLEC Customer Experience" deviates by 0.10% or more from the "ILEC Customer Experience," it is the ILEC that has failed to meet standards; the CLEC is always assumed to operate its network perfectly. Needless to say this proposed standard has nothing to do with access to OSS. *Billing, operator services, 800 database service, and LIDB* -- which are not OSS functions in the first place -- all come in for new standards too,

without any explanation of what was wrong with the old standards in our tariffs and contracts. Other proposed standards seek to measure what is not within our control or even measurable by us -- such as end-to-end response time (which only a LSP can measure, and which includes delays introduced by the LSP itself), or order completion intervals (which can be manipulated by LSPs).

In his affidavit, Mr. Dysart describes some of the network performance standards we operate under today, and the problems with the standards proposed in the Petition. The proposed standards are simply a template for redesigning the ILEC's network and business systems to the specifications of the CLC's business plan. Most of them are unrelated to access to OSS. In almost every instance the Commission would not be authorized to require them under Section 251.

#### IV. PERFORMANCE STANDARDS ARE DISCRIMINATORY

We know the Commission has relied on the nondiscrimination provisions of Section 251 -- subsections (c)(3) and (c)(4)(b) -- as well as on the unbundling requirement of (c)(3) to order access to OSSs.<sup>10</sup> However, no such argument can be made for mandatory performance standards. They are inherently discriminatory.

The Commission has interpreted the nondiscrimination provisions of Section 251 to require that "[i]ncumbent LECs must offer network elements on terms and conditions equally to all requesting carriers, and, where applicable, those terms and conditions must be equal to the terms and conditions on which an incumbent LEC provisions such elements to itself or its customers."<sup>11</sup> While it pays lip service to this principle, the Petition is inconsistent with it. Appendix A of the Petition does not attempt achieving "parity" of access to OSS. To use one of many examples, it mandates that orders

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<sup>10</sup> See, e.g., Second Order on Reconsideration, para. 2.

<sup>11</sup> *Id.*, para. 9.

with no premises visit or physical work will be completed within 1 day of order receipt, and that 99% of orders will be completed by the due date. That we do not meet these standards for our own retail operations -- *i.e.*, LSPs are already receiving parity of service with retail customers -- would be no defense. The standards do not even make exceptions for natural disasters, work stoppages, periods of great demand, or weekends and holidays.

Because our resources are finite, while demand is extremely elastic, such absolute standards would practically guarantee that we and our retail customers' interests take a backseat to the LSPs'. That would be unlawfully discriminatory under Section 251.

V. OSS RULES WOULD UNLAWFULLY DISPLACE STATE AUTHORITY AND IMPRUDENTLY OVERRIDE THE RESULTS OF HUNDREDS OF NEGOTIATIONS AND ARBITRATIONS

Even if the Commission otherwise had the authority under Section 251 to establish performance standards, it would unlawfully infringe on the authority granted by the Act to private parties to negotiate, and to the States to determine through arbitration, agreements for unbundled access. This authority includes the express ability for States to "provide a schedule for implementation of the terms and conditions by the parties to the agreement."<sup>12</sup> This grant of authority over implementation corresponds in its explicit quality to the States' authority over local exchange pricing, as upheld by the Eighth Circuit in its stay.<sup>13</sup>

In addition to denying to States and private parties the authority conferred on them by Section 252 to determine the terms of implementation and other terms of interconnection, establishing performance standards such as the Petition recommends would wreak havoc by overturning the results

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<sup>12</sup> 47 U.S.C. Section 252(c)(3).

<sup>13</sup> *Iowa Util. Bd. v. FCC*, 109 F.3d 418 (8th Cir. 1996).

of hundreds of arbitrations and negotiations that have already been completed and approved by State commissions according to the 1996 Act. As AT&T's Agreement with Pacific Bell illustrates, some of these agreements deal with OSS access in great detail. ILECs and LSPs are already working toward the implementation of these agreements under State-approved schedules. The Commission's Second Order on Reconsideration properly recognized this fact. Section 252 clearly did not envision that the Commission would change the final outcome of negotiations and arbitrations by imposing ex post facto mandatory, uniform "standards" that are inconsistent with those determined under arbitrations and negotiations. The only post hoc action that is contemplated by Section 252(e)(6) is review by "an appropriate Federal district court."<sup>14</sup>

#### VI. PERFORMANCE STANDARDS WOULD FEDERALIZE A LOCAL ISSUE

As we have made clear above, the Petition consistently confuses standards for access to OSS, the performance of the OSSs themselves, and the performance of other parts of our network. To the limited degree that our network has been deemed to require oversight, it is the States that have long overseen it. Nothing in the 1996 Act suggests the Commission was intended to displace the States in this role. Indeed, the fact that States were given the critical role in approving or determining implementation schedules suggests the opposite.

#### VII. CONCLUSION

Having fabricated an emergency that does not exist, the Petitioners propose performance standards, reporting requirements, and other measures that would be either unlawful, impracticable, unnecessary, or extreme. They go far beyond the mandate of Section 251. Even if

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<sup>14</sup> See 47 U.S.C. Section 252(e)(6).

OSSs are “network elements” for purposes of Section 251(c)(3) of the Act (an issue currently on appeal in the Eighth Circuit), establishing the performance standards contemplated in the Petition would far exceed the “access to network elements on an unbundled basis” that is required by the Act;<sup>15</sup> it would conscript our resources and require us to administer our network for the benefit of our competitors’ businesses and customers, and to the detriment of ours. The proposed standards would override the results of negotiations and arbitrations, and would unlawfully displace State determinations of access and implementation, just as the Commission’s price proxies unlawfully displaced State-determined prices. Many of the proposed performance measures, such as proposed new standards for provisioning, maintenance intervals, and network performance, have nothing to do with parity of access to OSS functions at all.

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<sup>15</sup> See 47 U.S.C. Section 251(c)(3).

For the foregoing reasons, the Petition should be denied.

Respectfully submitted,



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ATTORNEYS FOR PACIFIC BELL  
AND NEVADA BELL

Date: July 10, 1997



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Affidavit of Elizabeth A. Ham  
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In the matter of	)	
	)	
Application of SBC Communications Inc.,	)	
Southwestern Bell Telephone Company,	)	CC Docket No. _____
and Southwestern Bell Communications	)	
Services, Inc., for Provision of In-Region,	)	
InterLATA Services in Oklahoma	)	

**AFFIDAVIT OF ELIZABETH A. HAM**

I, ELIZABETH A. HAM, being duly sworn, deposes and states as follows:

1. My name is Elizabeth A. Ham. My business address is One Bell Center, Room 15-Z-1, St. Louis, Missouri 63101. I am Executive Director-Interconnection & Resale Technical Implementation for Southwestern Bell Telephone Company ("SWBT"). In this position I am responsible for the development of procedures which are used by SWBT personnel to process Competing Local Exchange Carriers ("CLEC") service requests and for assisting the Customers Services organization in the implementation of CLEC contracts in a manner consistent with State commission and Federal Communications Commission ("FCC") rules and regulations governing local exchange competition. In my most recent position, I have led a multidisciplinary team in the development of access to SWBT's Operations Support System ("OSS") functions. I also represent our Customer Services organization in negotiations with CLECs.

**EDUCATION AND PROFESSIONAL EXPERIENCE**

2. I received a B.S. degree in 1973 from Arkansas Polytechnic University in Russellville, Arkansas. I have 26 years experience with SWBT. I have held numerous jobs in our Operator Services, Network Operations and Customer Services organizations. I was selected by SWBT to receive extensive training in Statistical Process Improvement methods, and I am one of our company's internal Quality Consultants.

**PURPOSE OF AFFIDAVIT**

3. The purpose of my affidavit is to describe how SWBT complies with the Telecommunications Act of 1996 ("the Act") and the FCC's requirements for providing CLECs with nondiscriminatory access to its OSS functions. I will discuss the OSS functions that SWBT makes available to its own retail service representatives and to the CLECs for pre-ordering, ordering, provisioning, maintenance and repair, and billing. I will demonstrate that SWBT has met its obligations to provide CLECs with access to its OSS functions that is "at least equivalent" to that it provides to itself. Further, I will demonstrate that SWBT is willing to and has, in fact, negotiated in good faith to provide CLECs with forms of access to its OSS functions that are not available today and to implement them where technically feasible. SWBT has collectively exceeded its obligations by making available to CLECs multiple interface choices within each function, thus enabling them to choose the interfaces that best meet their business needs.

**BACKGROUND**

4. Section 251(c)(3) of the Act specifies that incumbent local exchange carriers must provide “nondiscriminatory access to network elements on an unbundled basis.” On August 8, 1996, the Federal Communications Commission (“FCC”) released its First Report and Order in CC Docket No. 96-98 (“First Report and Order”) to implement the access and interconnection provisions of the Act. The FCC stated that “... in order to comply fully with section 251(c)(3) an incumbent LEC must provide, upon request, nondiscriminatory access to operations support systems functions for pre-ordering, ordering, provisioning, maintenance and repair, and billing of unbundled network elements under section 251(c)(3) and resold services under section 251(c)(4).” Further, the FCC indicated that “... it is reasonable to expect that by January 1, 1997, new entrants will be able to compete for end user customers by obtaining nondiscriminatory access to operations support systems functions.” First Report and Order at ¶ 525.
5. In its Second Order on Reconsideration, CC Docket No. 96-98, (December 13, 1996) (“Second Order on Reconsideration”), the FCC emphasized that “[b]y January 1, 1997, to the extent that an incumbent LEC provides electronic pre-ordering, ordering, provisioning, maintenance and repair, or billing to itself, its customers, or other carriers, the incumbent LEC must provide at least equivalent electronic access to requesting carriers in the provision of unbundled network elements or services for resale....” Second Order on Reconsideration at ¶ 9.

6. SWBT began the planning process for CLEC access to its OSS functions in September of 1995, with the establishment of eight teams dedicated to an analysis of the "competitive checklist" items that Congress was considering enacting into law. I led the Access to Support Systems and Functions (ASSF) team, which was charged with determining ways in which SWBT would interface with the CLECs. The ASSF team was divided into four sub-teams, one of which was called Service Activation/Assurance (SA/A). The SA/A team was responsible for developing access to SWBT's OSS functions which the FCC later described in its First Report and Order as pre-ordering, ordering, provisioning, maintenance and repair, and billing. Our team recognized very early that it would be of enormous benefit to both SWBT and the CLECs if we were able to transact business between us electronically, in order to save human resources. As part of the planning process, the team reviewed regulatory filings related to electronic interfaces from prospective CLECs in other ILEC states and considered their requirements in our planning effort. The SA/A team spent over four months gathering data and documenting their work and produced a planning document in December of 1995. That plan enabled SWBT to get a head start on developing and enhancing electronic interfaces for access to its OSS.
7. Between the time the Act was signed into law on February 8, 1996 and the FCC issued its First Report and Order on August 8, 1996, SWBT had already entered into negotiations and reached interconnection agreements with several CLECs. Throughout this process, SWBT was able to share its plans and receive feedback from the CLECs on their needs for

electronic interfaces. Enhancements were made to the front-end systems with which the CLECs will directly interface. Many changes (i.e., reports, edits, data stores, etc.) also were made to several "back-office" systems so that orders for resold services and unbundled network elements by CLECs would be fully processed and provisioned. Finally, a number of modifications to OSS software were made throughout the period from September to December 1996 in order to accommodate expected CLEC competition. Thus, by the time the First Report and Order was issued, SWBT was well on its way to developing those electronic interfaces which were necessary to provide CLECs with nondiscriminatory access to its OSS functions by January 1, 1997.

8. This development work and the enhancements to SWBT's OSS functions themselves have had, and continues to have, a sizable financial impact upon SWBT. Since enactment of the Act, over \$1.5 million in capital funds were spent to acquire hardware necessary to provide nondiscriminatory access to SWBT's OSS functions and to increase its processing capacity. Concurrently, over \$2.9 million in expense funds were spent by our Information Services organization alone to make enhancements to existing systems and to develop new applications. These figures are conservative, in that they do not reflect expenses incurred by personnel in other departments who were involved in the gathering of requirements and documentation, as well as in test case preparation and validation.
9. SWBT's approved Information Services capital budget for 1997 includes \$175,000 for hardware to increase the capacity of one of our applications that will process high-volume

pre-ordering transactions. Our actual capital expenditures will likely exceed our original budget if we obtain CLEC forecast data and system usage that triggers the purchase of additional hardware to increase system capacities. In addition, the approved expense budget for 1997 contains approximately \$ 7.5 million for Information Services personnel to continue their development efforts in providing access to SWBT's OSS functions, and for ongoing personnel costs associated with support of the Remote Access Facility ("RAF") and Help Desk.

#### **ACCESS TO OPERATIONS SUPPORT SYSTEMS FUNCTIONS**

10. The RAF was created to provide CLECs with a point of entry for gaining access to SWBT's OSS functions. Plans were finalized to build the RAF during August 1996. Equipment was ordered in September and October, so installation could occur during November, 1996. The RAF has been initially equipped with 96 simultaneous dial-up connections (both analog and ISDN) and 24 private line connections. A security "firewall" has also been put into place to prevent unauthorized access to SWBT's internal communications network. Internal testing of the RAF facility began in December, 1996. AT&T established direct connectivity to SWBT' RAF in February 1997 and we are currently in discussions with several other CLECs which have expressed their intention to start utilizing the RAF within the next several weeks.
11. Two rate elements for CLEC access to SWBT's OSS functions have been developed to recover the costs incurred by SWBT for providing access to pre-ordering,

ordering/provisioning, maintenance/repair and billing functions. The rate elements have been established as monthly charges: one for connectivity to the Remote Access Facility (RAF) and the other for ongoing support to system access.

12. The RAF rate element is based upon costs for equipment, facilities and the security firewall required to enable CLECs to access SWBT electronic interfaces. Also included are ongoing costs for operations personnel to support the RAF. This rate element has been established as a monthly charge per port, for either "Dial Up" or a "Direct Connection". A port may provide system access to functions for all SWBT in-region states. CLECs are required to provide their own facility (e.g., private line) or call connections for access to the RAF.
13. The System Access rate element consists of the ongoing application and security support, and also includes staffing for Help Desk coverage (7 days a week, 24 hours a day) to assist CLECs with electronic interface issues. This monthly System Access charge will apply on a per state basis. I will discuss the Help Desk in more detail in paragraph 17.

#### **SUPPORT ORGANIZATIONS**

14. In order to facilitate nondiscriminatory access to SWBT's OSS functions, SWBT has established a number of support organizations specifically designed to serve the CLECs. These support organizations include the Local Service Provider Service Center ("LSPSC"), Local Service Provider Center ("LSPC"), and Help Desk.



15. The LSPSC was created to provide the CLECs with a single point of contact within SWBT for pre-ordering, ordering/provisioning, billing, and collection. The affidavit of Nancy J. Lowrance describes the structure and operation of the LSPSC in more detail.
16. The LSPC was created to provide the CLECs with a single point of contact for installation, maintenance and repair activities, twenty-four (24) hours a day, seven (7) days a week.. The affidavit of Linda D. Kramer describes the structure and operation of the LSPC in more detail.
17. On February 3, 1997, the SWBT Help Desk began to provide support to CLECs. This Help Desk provides assistance to the CLECs by: 1) answering questions regarding access to SWBT systems and applications; and, 2) attempting to resolve information services problems experienced by the CLECs. The goal of the Help Desk is to be able to provide a single point of contact to the CLECs for resolution of their OSS interface problems and questions. At a minimum, the Help Desk will provide these services Monday through Friday from 8 a.m. to 5 p.m.; all other days and hours will be covered via pager that is activated by voice mail so that Help Desk personnel will be available either in person or on call twenty-four (24) hours a day, seven (7) days a week.